

Approved: 1-22-08

KHPA Board Meeting – Minutes
November 13, 2007

Board Members Absent:

Rob Kaplan

Ex-Officio Board Member Absent:

Secretary Duane Goossen

KHPA Executive Staff Absent:

Dr. Andrew Allison

Call to Order and Welcome – Connie Hubbell, Board Chair

Chair Hubbell called the meeting to order and review today's agenda.

Approval of Board Minutes. The minutes from the October 15/16, 2007 KHPA Board meeting had been previously distributed and reviewed by the members.

- **ACTION:** A motion was made, seconded and passed to approve these minutes as printed.

2008 KHPA Board Retreat Dates. The dates for the annual KHPA Board retreat was confirmed for Tuesday/Wednesday, June 17 and 18, 2008, at the Eldridge Hotel, Lawrence KS.

SRS and KHPA Interagency Agreement. An interagency agreement between SRS and KHPA was reviewed by the Board. This cooperative agreement represents current practice between the two agencies and addresses areas of cooperation and collaboration, specifically: 1) Funding; 2) Program Oversight; 3) Policy Development and Coordination; 4) Eligibility Process and Enrollment; 5) Legal Proceedings; 6) Information Systems; and 7) Program Responsibilities.

- **ACTION:** A motion was made, seconded and passed to approve the interagency agreement between SRS and KHPA.

During this time, Board Legal Counsel Phil Elwood distributed a Proposed Resolution for the delegation of authority by the KHPA Board to the Executive Director, authorizing the Executive Director to approve interagency contracts (agreements), so long as the contract/agreement does not include: a) material change of existing policy; b) the establishment of significant new policy; or c) an expenditure of an amount that is other than ordinary course of KHPA operations.

- **ACTION:** Board Legal Counsel requested that the Board members review this proposed resolution and that it be reviewed for final approval at the January 2008 Board meeting.
- **ACTION:** It was requested that the KHPA Chief Financial Officer prepare an analysis of the estimated number of agency contracts and interagency agreements which are above the threshold of "ordinary course of operations" for further review at the January 2008 Board meeting.

KHPA Updates and Announcements – Marci Nielsen, Executive Director

Introduction of new KHPA Governmental Affairs Manager. Tracy Russell was introduced to the Board, who joined KHPA as the new Manager of Governmental Affairs in mid-October 2007. She previously worked in Government Relations for the American Cancer Society in Denver CO and for the League of Municipalities in Des Moines IA.

Agency Website: www.khpa.ks.gov

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:

Phone: 785-296-3981

Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:

Phone: 785-296-6280

Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364

Fax: 785-296-6995

Review of upcoming Legislative Interim Committee Hearings.

- On October 30th, the Joint Committee on Children's Issue received updates from several state agencies regarding children's issues. KHPA staff provided an update on the status of the SCHIP program and the Managed Care Organizations (MCOs)
- Additional presentations on health reform were made at the hearings on November 7, 8, and 9 by the Special Committee on Financial Institutions and Insurance, the Legislative Joint Budget Committee, and the Joint Committee on Information Technology, respectively.
- On November 1st, the Joint Oversight Committee on Health Policy will review the KHPA Health Reform Recommendations as recently approved by the KHPA Board. Also presenting to the Oversight Committee will be the SchrammRaleigh Consultants as well as the KHPA Advisory Council Chairs and other interested parties relating to health reform in Kansas.
 - Dr. Nielsen thanked the Board members, KHPA staff, Advisory Council Chairs, and others for attending the hearing and for their support of the health reform initiative. She reported that, at the end of the Oversight hearing, Senator Jim Barnett requested that a motion be made to accept the recommendations as a whole, and the motion to accept was made by Representative Melvin Neufeld. Several Board members who attended the Oversight Committee hearing that day also stated they were pleased with the interest shown and the positive comments made about Kansas health reform efforts.
 - Dr. Nielsen reported that next steps on health reform will include: a) KHPA and KDHE staff will be working together to craft the legislative language to be submitted by the first of January; b) the Advisory Councils will return in December to receive updates on the health reform recommendations as presented on November 1st; c) KHPA will be preparing testimony for the next Joint Oversight Committee hearing scheduled for December 13th which will include additional information on the Premium Assistance Program, Medicaid Reform, a recent comparison study on health outcomes, and continued collaboration efforts with Kansas safety net clinics. The Oversight Committee members also requested additional information on: COBRA, 125 Plans, and Re-Insurance which will be prepared with joint efforts of KHPA and KS Insurance Department staff; and d) additional health insurance reform proposals are being developed by SchrammRaleigh Consultants and those proposals will be brought back to the Board for review.
- An additional proposed revenue stream for financing health reform was reviewed and discussed. Dr. Nielsen and KDHE Secretary Rod Bremby presented information on additional estimated revenue from increasing the excise tax on smokeless tobacco products. The amount of \$51 million as cited in the 11-1-07 Health Reform Recommendations related to the estimated increase in sales tax for tobacco products only. A handout was distributed for the Board's review which projected that an additional \$27 million in revenue would be generated by achieving parity between the cigarette tax rate and tax rate for other tobacco products. Dr. Nielsen reported that, upon the Board's approval, this estimate of \$27 million would be included as a part of the health reform funding package and that the health reform recommendations booklet would be revised to reflect this additional funding option.
 - **ACTION:** A motion was made and seconded, stating that the KHPA Board supports the effort to achieve parity of the Kansas tax rate between cigarettes and other tobacco products, and the Board approves the addition of the proposed increase of excise tax on other tobacco products (smokeless tobacco products) as an additional funding stream for health reform. Motion carried.
 - **ACTION:** Additional information the increase of excise tax on other tobacco products will be shared at the January 2008 Board meeting.

Update on Medicaid Issues – Dr. Marci Nielsen

- State Children's Health Insurance Plan (SCHIP). The reauthorization of SCHIP is still being debated by Congress and the Board will be kept updated on this issue.
 - Kansas Healthy Choices. The formal Request for Information (RFI) from potential bidders closed October 22, 2007. A summary of RFI responses was distributed for the Board's review.

ACTION: Dr. Nielsen advised that Dr. Allison would provide additional clarification on this document at the January Board meeting.

Report from the Chief Financial Officer – Scott Brunner

- The **FY 2008 Expenditure Report** which outlined expenditures through October was reviewed by the Board members.
- The **Division of Budget's Recommendations** were recently received by the KHPA Finance Office. None of the FY 2009 enhancements were included (for Premium Assistance, Prescription Prior Authorizations, Integrated Eligibility Enrollment System, Enhanced Care Management, Community Health Record, and Office of the Inspector General), and KHPA will appeal all these excluded items.

Public Presentations: Quality Tax Model for Kansas Nursing Facilities

Board Chair Connie Hubbell explained that presentations on the quality tax model for nursing facilities would be heard from both proponents and opponents of this issue, that this information would be provided for the Board's consideration, and

that no decision would be made of the KHPA Board today on this issue. Presentations were then made by these speakers:

1. Garen Cox, CEO and General Counsel of Medicalodges, Inc., Coffeyville KS
2. Cindy Luxem, CEO-President, KS Health Care Association, Topeka KS
3. Joe Lubarsky, President of Eljay LLC, former Director of Long Term Care Services
4. Debra Zehr, President, KS Ass'n of Homes and Services for the Aging, Topeka KS
5. David Beck, CEO of Brewster Place, Topeka KS

Copies of the presenters' testimony (available at www.khpa.ks.gov) were reviewed by the Board members and discussion was held regarding next steps. Since this issue had been heard by the Department on Aging at prior occasions, and since the proposed assessment would impact Medicaid policy, further work will be done jointly between Aging and KHPA staff on this issue.

- **ACTION:** Aging and KHPA staff will develop recommendations for the Board to review at the January 2008 Board meeting. Affected providers and other interested stakeholders will be contacted for their evaluation of the proposal as well.

Overview of Mental Health Services – Secretaries Don Jordan and Kathy Greenlee

A presentation was provided by SRS Secretary Jordan describing SRS' role within the public health system. This includes the public mental health service system, the substance abuse service system, and the disability service system.

Secretary Greenlee briefly reviewed HB 2236 from the 2007 legislative session which related to a geriatric service demonstration grant to providers of mental health care to the elderly. Due to concerns with the several facets of the original legislation, the Mental Health Coalition is drafting a substitute bill which will include a statewide focus, realistic fiscal estimates, sustainable funding, and stakeholders participation throughout the planning and implementation phases.

Executive Session Called

At 12:15 pm, Chair Board Hubbell called for a motion to go into Executive Session to discuss a personal issue and consult with Board Legal Counsel.

- **ACTION:** A motion was made, seconded, and carried to go into Executive Session until 1:15 pm.

Public KHPA Board Meeting Resumes

At 1:15 pm the public Board meeting resumed.

- **ACTION:** A motion was made by Arneatha Martin, Chair of the KHPA Human Capital and Compensation to delegate to the KHPA Finance and Audit Committee the review and completion of the six-month evaluation of the Inspector General Robin Kempf. Motion was seconded and carried.

Presentation on Kansas Mental Health Parity Task Force – Rick Cagan, Nat'l Alliance on Mental Illness

A slide presentation was provided to the Board by Rick Cagan, Executive Director of the National Alliance on Mental Illness. A copy of the Mental Health Parity Task Force Report was also distributed to the Board. During his presentation, Mr. Cagan outlined the barriers to insurance coverage of mental health services and described the impact of unmet mental health treatment needs. He closed by reviewing the Task Force's recommendations regarding amending the appropriate statutes and regulations. The Board thanked Mr. Cagan and members of the Task Force for attending today's meeting and advised that this information would be reviewed and discussed in more detail at an upcoming Board meeting.

Recommendations to 2008 Legislature on Assumption of Responsibility for Health Care Purchasing Functions within Additional State Agencies

Board Chair Connie Hubbell extended an invitation to the audience for public comment on this issue; there were none.

- **ACTION:** A motion was made and seconded, for the Board to accept the recommendation made by KHPA staff to delay the transfer additional health care purchasing functions or responsibility to KHPA as outlined in KSA 75-7405 at this time. Motion carried.
- **ACTION:** KHPA staff will submit this recommendation to the 2008 legislature during January 2008.

Public Comments Period

- Shannon Jones, Executive Director of Statewide Independent Living Council of Kansas, provided testimony related to the Nursing Home Quality Tax. Copy of Ms. Jones' testimony is available at www.khpa.ks.gov.

Meeting Adjourned.

Next Meeting

The KHPA Board meeting will be held Tuesday, January 22, 2008, beginning at 8:30 am, at the Ramada, Madison Room, 420 SE 6th Street, Topeka KS. Proposed agenda items will be:

- Review and approve final Proposal for Delegation of Authority – General Counsel Phil Elwood
- Review of analysis of KHPA contracts and interagency agreements – CFO Scott Brunner
- Review analysis of revised revenue estimate of \$17 million for increased excise tax on smokeless tobacco products – KDHE Secretary Rod Bremby
- Review recommendations on Quality Tax Model for Kansas Nursing Facilities – KDOA Secretary Greenlee and Dr. Marci Nielsen
- Report on status of Kansas Healthy Choices – Dr. Andy Allison